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TAGS: [PGOV](#) [PBTS](#) [KPAL](#) [KWBG](#) [IS](#)
SUBJECT: "ECONOMIC" SETTLERS PROTEST THEIR INCLUSION IN
MORATORIUM

Classified By: Consul General Daniel Rubinstein
for reasons 1.4 (b) and (d).

11. (SBU) Summary: In recent conversations, residents of "economic" settlements -- established to provide cheaper housing and higher standards of living than available in "Green Line" Israel -- objected to their inclusion in the Israeli government's settlement moratorium. Leaders in these communities, which are mostly adjacent to the 1967 line in the West Bank, contrasted their communities with more "ideological" settlements, saying "we're here to live, not to cause trouble for our Arab neighbors." Post NGO contacts report an up-tick in violent clashes and illegal acts among "economic" settlers since the announcement of the moratorium, driven in part -- these contacts claim -- by settlers' frustrations over their inability to complete homes in which they have already invested. End Summary.

ECONOMIC SETTLERS: &WE,RE NOT LIKE THE OTHERS8

12. (C) In conversations with Post held after the GOI's November 25 announcement of a moratorium on residential construction in West Bank settlements, Israeli residents of so-called "economic" settlements have been keen to distinguish themselves from the "ideological" wing of the Israeli settlement movement. "We're not the same as the settlements inside the West Bank," explained Rabbi Meir Rubinstein, mayor of ultra-orthodox settlement Beitar Illit, using an aerial map to point out the proximity of Beitar Illit to the Green Line. Note: Beitar Illit is 0.4 km east of the Green Line, and west of the separation barrier. End Note.

13. (C) Beitar Illit's mayor claimed that his city (current population around 40,000) is the "fastest-growing city in Israel," estimating that 600-700 new apartments and 10-15 new public buildings need be built annually to accommodate Beitar Illit's population growth. The mayor told PolOff that the 10-month moratorium on new residential construction poses a hardship for Beitar Illit residents, because it means there will be no homes to accommodate young couples waiting to move out from their parents, houses, or classrooms to accommodate growing numbers of children. "We were told by the government to come here and live here," the mayor said, adding, "we came to live here peacefully -- we're not the same as (more "ideological" settlers) in Hebron or Yitzhar."

14. (C) Rabbi Yaacov Guterman, mayor of Modi'in Illit, told PolOff that he was "shocked" to find his city included in the GOI moratorium. "We're part of Israel, not the West Bank," Guterman told PolOff, adding, "Modi'in Illit is inside the

separation barrier." Guterma n said he had sent a letter to Israeli Prime Minister Netanyahu, asking him to lift the stop-order on construction on the grounds that "Modi'in Illit is a private city, not a settlement... we are not ideological, we came here to live and study Torah and be near Jerusalem," Guterma n told PolOff. "We built the city on private land that was sold and bought, we did not take (it) from Arabs," he added.

¶5. (C) Rabbi Guterma n also discussed the financial implications of the moratorium on Modi'in Illit, saying, "a lot of money goes into the planning process, breaking ground, setting up infrastructure -- even before foundations are put down." He continued, "we are not ideological here, but people here will be angry because of lost money if the freeze continues." Note: Israeli papers report that the Neot Hapisga construction company in Modi'in Illit is suing for 18 million shekels (USD 4.8 million) in compensation for its inability, as a result of the moratorium, to cover debts on frozen construction projects in Modi'in Illit. The company was reportedly in the midst of building hundreds of units as part of a development that would ultimately include 2,300 housing units. End Note.

SETTLERS BREAK THE LAW TO PROTEST FREEZE

¶6. (C) NGO settlement observers confirmed that for the first time in recent memory, illegal acts of protest, and sometimes violence, are taking place in so-called "economic" settlements. Hagit Ofran, settlement watcher for Israeli NGO Peace Now, told PolOff that violence at "ideological" settlements such as Itamar was expected, but some fighting

has also been reported in "economic" settlements such as Tzufim and Beit Aryeh, where settlers have traditionally been more law-abiding. According to Israeli press reports, Tzufim settlers violently clashed with Civil Administration inspectors on December 15, resulting in 11 arrests. Settlers also reportedly clashed with inspectors at Beit Aryeh on December 2, an incident which led to the arrest of Beit Aryeh's mayor.

¶7. (C) "It,s all about the money," Ofran continued. "A lot of money went into the investment of foundations and home construction. They,re angry. And they,re all cheating now -- everyone is building illegally in disregard of the law." Ofran noted that she has heard anecdotal accounts of settlers hiding bulldozers during the day from inspectors, and taking them out at night to continue construction. "They are even building on the Sabbath in the religious settlements," Ofran told PolOff, when GOI Civil Administration inspectors themselves do not work.

¶8. (C) Dror Etkes of Israeli NGO Yesh Din told PolOff that "settlers are building all over the West Bank. I went on vacation for a week, and when I came back there were new structures all over the place." Etkes, who personally travels through the West Bank to confirm new construction, said the building he observed was initiated following the GOI announcement of the moratorium, in violation of GOI stop-work orders. Note: In an article published in Israeli English-language daily Haaretz on January 1, Ofran and Etkes said they had observed construction in more than 50 settlements throughout the West Bank, including "economic" settlements along the Green Line. While they did not distinguish in their public comments as to whether this construction included the roughly 3,000 units grandfathered into the GOI moratorium, Peace Now did publish data suggesting that construction in some settlements far exceeds the building rate in comparably-sized Israeli cities inside the 1967 border. End note.

MORATORIUM GROUPS SETTLERS, QUESTIONS THEIR STATUS

¶9. (C) Israeli settlement movement historian Gershon Gorenberg told Poloff, "the moratorium shows the 'suburban

settlers' that they're not excluded from what they see as this existential threat. It makes them question their status -- it makes them realize they are not any more 'special' than settlers (located) farther out (in the West Bank)."

Gorenberg noted that suspicions of GOI motives run high in the general Israeli settler population, saying, "after the Gaza disengagement, there's a general distrust of the government and politicians. (Settlers) feel they can't give any inch -- because it may lead to another withdrawal."

¶10. (C) Moti Seide, director of utilities and services in Modiin Illit, told PolOff, "We moved out here at first 25 years ago, thinking, we'll try it out ... and time passed and it was okay. All of our children grew up here, and married, and live here. And now, we don't know what will be in the future. Netanyahu said it's for peace talks. Well, we don't know if there will ever be peace talks. So why freeze our lives?" Shilo resident and prominent settler

activist Yisrael "Winky" Medad agreed, saying, "look, we're angry with Netanyahu because there's no plan. We need to know that there is a future for us and we're not frozen indefinitely."

RUBINSTEIN